



## Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

## SOME PRACTICAL ASPECTS OF THE RAILROAD PROBLEM

IVY L. LEE

Formerly Assistant to the President, Pennsylvania Railroad

HAVING had the privilege last night of sitting next to Mr. Doak at the dinner, and having listened to him this morning, I can only say that I wish our labor men in this country could continue indefinitely to be led by a man of the conservatism of view which he shows. But I would like to say this, with reference to some of his history: Mr. Doak repudiates the thought that the passage of the Adamson Law was due to the railroad employees. I shall not attempt to characterize what happened, but I recall the events, about like this:

A deadlock had arisen in New York, out of which a strike seemed probable within a very few hours, and then both sides were summoned to Washington by the President. Another deadlock resulted. The railroad managers proposed arbitration which was declined by the men; a strike order was sent out, effective, I think, the following Monday morning. The President thereupon appeared before Congress and stated to Congress that unless an act was passed embodying substantially the demands of the men for an eight-hour day, a strike would take place within a few hours.

Dropping all other business, while representatives of the Brotherhoods sat in the gallery and looked on, Congress, in almost continuous session, was able to get through this law, and have it passed and signed by the President, I think on Saturday afternoon, when the strike was to take place on Monday morning. Immediately after the law was signed, the strike order was withdrawn.

I have the most profound respect for Mr. Howe's sweetness of spirit and idealism of hope. I have heard him speak on other occasions and wish sincerely that I could share the idealism with which he looks out upon humanity.

To think of that Elysian system under which a well equipped railroad, sympathetically conducted, would be at the service of every farmer, in every remote part of the country, with a special train ready to carry his products immediately to the market in

which he would obtain the highest prices for his goods,—is a beautiful picture! And then when you think that this great service is going to be at your disposal somewhat like an elevator in an office building, free of use to all, without thought of profit to anybody, a sympathetic instrument placed at the disposal of the farmer or the merchant, it is beautiful. But let us apply a little practical thought to it.

Suppose you have a railroad system organized for “service” and not for profit. Who is to determine what and where the development of that railroad shall be? Admittedly we are a long way from having a complete railroad system in this country. Are we going to have our railroads developed by the log-rolling methods of Congress, under which Congressmen from remote regions of Oregon will bargain with Congressmen from the country districts of Maine, to have railroad development take place in their respective districts? Or are we going to do the practical, sensible, business thing, and that is to say to the money markets of the world: “The field of American development is open, and if you will risk your money we will give you a chance to realize a legitimate profit upon it.” You apply then the acid test of results to the judgment of the men who suggest solutions of your problems. It seems to me that is the practical way we must look at the matter.

But Mr. Howe says it would be a glorious thing, and he believes in America enough to believe that if the railroad employees were simply working for service that we would have a great railroad system. Now I have never, in all of this talk about service, heard anybody suggest that the railroad operatives should deny themselves anything while providing this service.

We have heard so much about the profit to the capitalist, the profit to the security holder, the profit to the one who takes his savings out of the bank and risks them in railroad enterprises; the profit to the one who, if the enterprise is a failure, loses everything, but who, if the enterprise is a success, must get unlimited profit. But we hear very little about the railroad operative who, under such a system as is suggested by Mr. Howe, and as provided for in the Plumb Plan, would have opportunity to get unusual or undue profit in the form of wages or salaries.

I want to use terms now that I do not mean to be offensive; but I do think it is important, when we object to the capitalist profiteer, that we shall have no less objection to the labor prof-

iteer. And a man who gets fifty per cent more for a day's wages than his service really entitles him to, is just as much a profiteer as the capitalist who gets fifty per cent more than he is legitimately entitled to.

I won't attempt to discuss in detail Mr. Howe's figures with reference to the Government operation of railroads. I would simply like to refer to one item. He called attention to the fact that we had 145,000 new railroad employees, and that that accounted for a large part of the wage increase. Mr. Besler alluded to the fact that the wage bill of the railroads increased from about three million dollars a day in 1916 to seven million to-day. That is an increase of 133 1/3 per cent. An increase of 145,000 employees is an increase of eight per cent, so you have had an increase of eight per cent in your employees, and an increase of 133 1/3 per cent in your wage bill. Those figures, of course, speak for themselves.

I will refer to only two other points. Mr. Besler stated, and stated very wisely, that the real demand of railroad labor is the certainty of fixed wages, and I think in that statement he emphasizes two points—not alone that the wages shall be right, but that there shall be certainty of those wages. To me the great fundamental evil in our whole system of wages to-day—if you will allow me to say so—is the absence of the certainty.

To-day everybody is employed, but we know perfectly well—and no one would agree with this more readily than Mr. Besler—that we have to look forward to a time when railroad traffic will fall off, when locomotives will be stored, when cars will be stored, when there will not be the work for the men to do, and when the men will have to be laid off. Now, that is the fundamental evil of our system, and the great desideratum at which we should aim is some kind of plan whereby in profitable, good times we shall lay aside a certain surplus out of our earnings, which will make certain that the men will be employed in bad times.

Just one other point: I heard last night, one of the speakers—the last speaker, Mr. Shea,—say that his fundamental objection to the anti-strike clauses of the Cummins Bill—and I want to say I agree with the reasoning of Mr. Doak on anti-strike legislation—and the objection of so many people, was that they had word that there was a conspiracy planned on the part of the railroad managers of the country, when the private management was restored, to reduce railroad wages.

It is unfortunate that statements of that kind should be made. Any such allegation is, of course, preposterous. The facts are, as Mr. Besler stated, that in the course of events prices will come down, there will be less work to do, and wages will inevitably come down; but that there is a conspiracy planned is a statement that ought not to need characterization. I have the pleasure of rather intimate knowledge of the operation of the railroads in this country, and intimate acquaintance with many of the men who make their policies, and I know, of personal knowledge, that such an idea as that is as foreign to their minds as it is foreign to your minds that this building will catch fire.

Let us discuss these questions in the light of reason, intelligence and conservatism, such as Mr. Besler and Mr. Doak showed, and not see red all the time, as some people are inclined to do.